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Department of State

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TO SECSTATE WASHDC PRIORITY 113~~CONFIDENTIAL~~ LIMA 2371E.O. 12065: GDS 3/17/86 (SHLAUDENAU, HARRY W.) OR-M
TAGS: OODN XM
SUBJ: FUTURELOGY: SOUTH AMERICA IN THE 80'S

REF: STATE 61039

1. (C - ENTIRE TEXT).

2. THE COUNTRIES OF THIS CONTINENT--OR HALF-CONTINENT-- ARE SET ON A COURSE LEADING TOWARD FULLER AND MORE INDEPENDENT PARTICIPATION IN THE GLOBAL ECONOMY LED BY THE INDUSTRIALIZED DEMOCRACIES OF EUROPE, JAPAN AND THE U.S. THIS COURSE ENTAILS DOMESTIC INDUSTRIALIZATION, EXPANDED AND DIVERSIFIED TRADE, URBANIZATION AND A GROWING MIDDLE CLASS. CONTINUING MOMENTUM DEPENDS ON MARKETS IN THE WEST FOR NON-TRADITIONAL MANUFACTURED EXPORTS AND THE FLOW OF OUTSIDE FINANCING FOR THE HEAVY COSTS INVOLVED. ECONOMIC CRISIS IN THE INDUSTRIALIZED WORLD WITH ITS ATTENDANT PROTECTIONISM AND CREDIT SQUEEZE WOULD SERIOUSLY DISRUPT THIS PROCESS.

3. THUS, DEVELOPMENTS OUTSIDE THE REGION WILL BE THE MOST IMPORTANT FACTOR IN THE 80'S. WITHIN THE REGION THE TREND TOWARD DEMOCRACY REFLECTS A GRADUAL MODERATION OF THE POLITICAL PROCESS IN THE WAKE OF THE ALLENDE FIASCO AND THE HORRORS OF MILITARY REPRESSION IN THE SOUTHERN CONE. THE VESTED INTEREST OF THE MIDDLE CLASSES IN MORE STABLE AND PREDICTABLE POLITICS SHOULD MAKE ITSELF FELT IF ECONOMIC GROWTH CONTINUES. THIS DOES NOT NECESSARILY MEAN THE ARRIVAL OF UNINTERRUPTED CIVILIAN DEMOCRACY. ONLY BRAZIL OF THE COUNTRIES HOW OR RECENTLY IN THE HANDS OF THE MILITARY SEEKS TO HAVE THE INGREDIENTS TO FASHION A NATIONAL CONSENSUS CAPABLE OF RECOGNIZING THE BROAD MILITARY INTEREST IN "NATIONAL SECURITY" WITH THE DEMANDS OF AT LEAST A REASONABLE OPEN POLITICAL SYSTEM.

4. IN THE OTHER COUNTRIES THE PENDULUM IS MORE LIKELY TO SWING AGAIN THAN NOT. (THE PIROCHET CASE IS A SPECIAL ONE TO BE LEFT TO OTHERS TO DISCUSS.) BUT MILITARY INTERVENTION--LEAVING ASIDE BOLIVIA--IS LIKELY TO BE MORE LIMITED, LESS VIOLENT AND MORE IN TAIDEN WITH CIVILIAN GROUPS THAN IN THE PAST. FOR ONE THING, THE DAY OF THE GUERRILLA IN SOUTH AMERICA, URBAN OR RURAL, IS PROBABLY ENDING. TERRORISM MAY CONTINUE IN SPORADIC FORM, BUT THE "FOCOS" OF DEBRAY AND THE BLOODY SCHEMES OF THE MONTEHEROS ARE NOW TOO OBVIOUSLY LOSING PROPOSITIONS TO ATTRACT THE HUMAN RESOURCES NEEDED FOR COERCED ACTION. WHAT DOES LIE AHEAD IS BROADER MANIFESTATIONS OF SOCIAL UNREST--AND PARTICULARLY MORE MILITANT AND EFFECTIVE TRADE UNION ACTIVITY--AS MODERNIZATION AND INDUSTRIALIZATION PROCEED AND AS THE PARTICIPATION OF THE MASSES IN THESE PROCESSES INTENSIFIES. THE MILITARY WILL HAVE TO SHAPE THEIR POLITICAL ROLE WITH GREATER SOPHISTICATION AND MORE CONCERN FOR CIVILIAN ALLIES IN THESE CIRCUMSTANCES.

5. ALTHOUGH THEIR RHETORICAL DEDICATION TO THE CAUSE

OF THE THIRD WORLD MAY CONTINUE UNABATED, THE SOUTH AMERICAN COUNTRIES WILL FIND TIES TO THE C-77 AND THE NAM OF INCREASINGLY LITTLE RELEVANCE TO THEIR MAJOR CONCERNES. THE TREND WILL BE TOWARD THE CLOSER CONCERTING OF POLITICS AMONG LATIN AMERICAN COUNTRIES IN INTERNATIONAL FORA AND TOWARD THE SEARCH FOR MECHANISMS TO PERMIT A MORE INDEPENDENT ROLE IN NEGOTIATING WITH THE DEVELOPED WORLD. THE FUTURE OF SELA AS AN INSTRUMENT OF LATIN AMERICAN MULTILATERAL DIPLOMACY IS OBSCURE. IT MAY BE TOO ALL-ENCOMPASSING AN ORGANIZATION TO BE AN EFFECTIVE INSTRUMENT IN THAT SENSE. THE CONCERTING OF POLICIES MIGHT MORE EFFICIENTLY TAKE PLACE IN SHALLER AND LESS RIGID FRAMEWORKS, AS IN THE DEVELOPING RELATIONSHIPS BETWEEN THE ANDEAN PACT, BRAZIL AND ARGENTINA. THE LATIN AMERICANS AS A WHOLE WILL CONTINUE TO LOOK ON THE U.S. AS A PLACE TO TALK TO THE U.S.--AND AS A MEANS OF HOLDING US IN CHECK. THE IMPORTANCE OF THE OAS WILL DEPEND ON THE IMPORTANCE OF THE U.S. IN THE AFFAIRS OF THESE COUNTRIES.

6. WHAT PROMISES TO BE A SLOW PACE IN THE ACHIEVEMENT OF THE REGION'S AMBITIOUS ECONOMIC INTEGRATION SCHEMES WILL NOT HOLD BACK GREATER COOPERATION ON INTERNATIONAL ISSUES. SUCH COOPERATION, IN TURN, WILL NOT MEAN AN END TO QUARRELS AMONG THE NATIONS OF THE CONTINENT. MODERNIZATION OF THEIR ARMED FORCES WILL CONTINUE, EFFORTS TOWARD ARMS RESTRAINT WILL PRODUCE HONEST RESULTS AT BEST AND INCIDENTS INVOLVING ARMED CLASHES ARE QUITE POSSIBLE. BUT ANY PROLONGED WAR IN THE REGION IN THIS DECADE IS UNLIKELY.

7. DEVELOPMENTS IN CENTRAL AMERICA AND THE CARIBBEAN WILL HAVE MINIMAL IMPACT IN SOUTH AMERICA. THERE WILL CONTINUE TO BE INTEREST AND CONCERN HERE IN WHAT HAPPENS THERE, BUT, WITH THE OBVIOUS EXCEPTION OF VENEZUELA, THESE COUNTRIES WILL PLAY ONLY MARGINAL ROLES IN THE EVOLVING CRISIS TO THE NORTH OF THEM. GLOBAL TRENDS, AS INDICATED PREVIOUSLY, WILL BE DECISIVE. PROLONGED CRISIS IN THE GLOBAL ECONOMY WOULD DESTROY MUCH OF WHAT HAS BEEN SO FAIRLY CONSTRUCTED IN THIS PART OF THE WORLD OVER THE PAST 35 YEARS--AND, IN THAT EVENT, 'ALL BETS WOULD BE OFF.'

8. THE FOREGOING IS THROUGH A GLASS DARKLY SEEN. I SET NO MORE STORE BY IT THAN I DO BY OTHER EXERCISES IN FUTUROLOGY, WHICH IS TO SAY VERY LITTLE. WE ARE ALSO PUBLISHING TO PPC A BRIEF PAPER ON THE SUBJECT PREPARED BY ERNIE PREEG WHICH YOU MAY FIND USEFUL. FINALLY, WITH RESPECT TO U.S. POLICY IN THE 80'S A FEW BASIC PROPOSITIONS SEEM TO BE SELF-EVIDENT:

-- HOST OF THE COUNTRIES OF LATIN AMERICA AND THE CARIBBEAN WILL CONTINUE THE DRIVE FOR INDEPENDENCE AND POLITICAL SELF-SUFFICIENCY ON THE WORLD STAGE;

-- WE WILL FIND THE ENVIRONMENT IN THE REGION ONE OF INTENSE COMPETITION WITH THE OTHER INDUSTRIALIZED COUNTRIES AND THE SOVIET BLOC FOR POLITICAL INFLUENCE AND COMMERCIAL ADVANTAGE;

-- SUCCESS AT HOME IN SOLVING OUR OWN PROBLEMS, PARTICULARLY OUR ECONOMIC PROBLEMS, WILL BE THE CRITICAL FACTOR IN OUR CAPACITY TO PROMOTE OUR INTERESTS AND OUR IDEALS IN LATIN AMERICA.

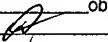
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